

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
)
Implementation of the) MM Docket No. 92-260
Cable Television Consumer)
Protection and Competition)
Act of 1992)
)
Cable Home Wiring)

REPORT AND ORDER

Adopted: February 1, 1993 ; Released: February 2, 1993

By the Commission: Commissioner Marshall not participating.

I. INTRODUCTION

1. On November 6, 1992, in response to Section 16(d) of the Cable Television Consumer Protection and Competition Act of 1992,¹ this Commission released a Notice of Proposed Rule Making.² In that Notice we sought comment regarding rules concerning "the disposition, after a subscriber to a cable system terminates service, of any cable installed by the cable operator within the premises of such subscriber." Sixty-eight comments and reply comments were filed in response to the Notice.³

2. The comments reveal that the current general policy within the cable industry is to leave cable home wiring in place after a subscriber terminates service. The record indicates that this is done because it often costs a cable operator more to remove the wire than it is worth. Also, in the majority of cases, the terminating subscriber is vacating the premises and it is expected that the new resident will again seek cable service.

¹ Pub. L. No. 102-385, Section 16(d), 106 Stat. 1460 (1992) ("Cable Act of 1992"), to be codified at 47 U.S.C. Section 544(i). The Commission must prescribe rules by February 2, 1993.

² Implementation of the Cable Television Consumer Protection and Competition Act of 1992, Cable Home Wiring, Notice of Proposed Rule Making, 7 FCC Rcd 7349 (1992) ("Notice" or "NPRM").

³ A list of the commenting parties, including the abbreviations we use herein, is attached as Appendix A.

Even where a terminating subscriber is not vacating the premises, a cable company presumably wants the opportunity to re-connect service to be as convenient and economical as possible, should the resident seek so. In rare cases, however, the subscriber terminates cable service in order to take service from an alternative video provider; these cases will probably increase as competition to cable develops. The legislative history states that in some of these instances the cable operator seeks to remove the wire without providing the subscriber the opportunity to acquire it, thereby increasing the cost and inconvenience to the subscriber of having new wiring installed.⁴

3. After consideration of the record, we today prescribe rules which prohibit cable operators from removing cable home wiring upon termination of service before giving the subscriber the opportunity to acquire the wiring. These rules most directly and appropriately effect the statutory language and the apparent goals of the legislation, which are to avoid the disruption of having the wiring removed and to allow subscribers to utilize the wiring with an alternative multichannel video delivery system.⁵ We also decline to adopt rules that go beyond the statutory provisions as some parties had urged. Further we address the issues of compensation and signal leakage.

II. DISCUSSION

a. General Scope and Definitions

4. The rules adopted here follow the plain language of the statute, and require cable operators to provide subscribers the opportunity to acquire cable home wiring before removing it from subscribers' premises upon termination of service. Specifically, cable home wiring is defined as that wiring located within the premises or dwelling unit of the subscriber that has been installed by the cable operator or its contractor. The rules provide further that, in those cases where the cable home wiring does not already belong to the subscriber, upon voluntary termination by the subscriber, the cable system operator must provide the subscriber the opportunity to acquire the wiring before the operator removes it.⁶ Mindful of our mandate, the majority of the commenters did not take issue with rules tailored in such a manner.

⁴ H.R. Rep. No. 628, 102d Cong. 2d Sess. at 118 (1992) ("House Report"); Senate S. Rep. No. 92, 102d Cong. 1st Sess. at 23 (1991) ("Senate Report").

⁵ House Report at 118.

⁶ The mechanics of the new rules are discussed in subsection b, infra. The text of the rules is set forth in Appendix B.

5. While the statute directs us to apply rules concerning the disposition of cable home wiring after a subscriber terminates service, some commenters asked that we apply the rules at the time of installation.⁷ Others argued that to do so would be contrary to the legislative intent and would complicate a cable operator's service responsibilities.⁸ The rules adopted here follow the statutory language and apply at termination. We do not think it is necessary or appropriate under the statute to apply them before the point of termination.⁹

6. A number of commenters urged us to follow the language of the Senate Report and adopt a regulatory scheme similar to that applied to telephone inside wiring by which consumers may remove, replace, rearrange, or maintain telephone wiring inside the home, even though it might be owned by a telephone company.¹⁰ Bell Atlantic argued that telephone inside wiring-type rules should apply regardless of whether a consumer has terminated service.¹¹ We note, however, that the language of the statute

⁷ See eg. Liberty comments at 5 (cable home wiring becomes a fixture at time of installation); NTCs comments at 4.

⁸ See eg. Joint Operators comments at 5 ("...compulsory transfer prior to termination would unduly complicate a cable operator's responsibility to control signal leakage and to charge for additional outlets.").

⁹ A few commenters wanted us to apply the rules only to terminations involving service installations after the effective date of the rules. Joint Parties comments at 2; Continental comments at 6 (apply only to new contracts); NCTA comments at 11 (grandfather existing agreements concerning home wiring and apply new rules prospectively); Time Warner comments at 19-20. We agree with the numerous commenters who argued that to do so would effectively undermine congressional intent as the majority of homes are already wired and already subscribe to cable service. MAP reply at 4 (application to new installations only would render the rules useless); TCI reply at 2; NATOA reply at 3. Accordingly, we apply the rules prospectively to all terminations occurring after the effective date of our rules.

¹⁰ Senate Report at 23.

¹¹ Bell Atlantic comments at 1. See also APPA comments at 14; BICSI comments at 3 ("The customer/owner should have control of cable home wiring in the same manner permitted for simple telephone wiring."); Citizens reply at 3-4; EIA/CEG comments at 6 (employ telephone wiring model in cable environment); CFA comments at 3 (parallel rules should be adopted); GTE reply at 2-3; Multiplex comments at 6 (cable operators should be required to charge

refers only to disposition of cable home wiring after termination of service. Many of the telephone inside wire provisions go well beyond the statutory language addressing cable home wiring because they pertain to what the consumer can do with the wire while receiving service. We further agree with the many commenters who argued that cable home wiring is distinguishable from telephone inside wiring in that, for example, cable operators have signal leakage responsibilities not borne by telephone service providers.¹² Although we generally believe that broader cable home wiring rules could foster competition and could potentially be considered in the context of other proceedings, because of the time constraints under which we must promulgate rules as required by the Cable Act of 1992, we decline to address such rule proposals in this proceeding.¹³

7. In accordance with the legislative history, which specifically recognizes the problem of signal theft, the rules we adopt today apply only to voluntary termination of service and do not apply when service has been terminated for lack of payment or for theft of service.¹⁴ A number of commenting parties argued that operators should be allowed to remove wiring to prevent theft of service.¹⁵ Continental states that cable operators

separately for cable wiring); NTCs comments at 4 (cable service customers should be afforded control over cable home wiring upon installation); Pacific Companies comments at 2 (treat cable wiring in parity with telephone inside wiring); Schaeffer comments at 1 (regulations should be the same for cable companies and telephone companies); Schwartz comments at 1 ("The cable subscriber should be responsible for all cable wiring in the home."); City of Seattle comments at 1 (once wiring is installed it should become property of homeowner); USTA comments at 4 (adapt inside wire rules to cable home wiring); UTC comments at 4 (policies on the use of telephone inside wiring provide excellent model); WCA comments at 8.

¹² See eg. Joint Parties comments at 8; Cablevision comments at 6.

¹³ See also House Report at 118 ("This section does not address matters concerning the cable facilities inside the subscriber's home prior to termination of service.")

¹⁴ See House Report at 118 ("Because theft of service increases the cost of service for all consumers, the Committee believes that the rules and regulations promulgated by the Commission under this section should not pertain to situations where service has been terminated for nonpayment or for theft of service.").

¹⁵ CATA comments at 3; TCI comments at 13-14; Time Warner comments at 18-19.

should be able to remove the wire when there is a reason to believe that there is a potential for theft.¹⁶ NATOA disagrees with that proposition.¹⁷ MAP argues that the definition of nonpayment should not include late payments or billing disputes.¹⁸ We agree with MAP that late payments or billing disputes should not be considered service theft for purposes of this rule. Nor should a perceived threat of theft of service be sufficient to prevent a subscriber from benefiting from the use of his or her cable home wiring. Accordingly, we find that cable operators may remove the cable home wire of a subscriber where they have terminated service for lack of payment or for theft of service under their existing termination guidelines. An exception to this rule is where ownership of the cable home wiring has been previously transferred to the subscriber by the operator. In that case, the wiring is no longer the operator's property to remove.

8. As proposed in the NPRM, we define cable home wiring to mean only the cable itself and not any active elements such as amplifiers, decoder boxes or similar apparatuses. This is in accord with the legislative intent¹⁹ and was not disputed by the commenting parties.

9. The rules also apply only to wiring installed by the cable operator or its contractor. Many commenters urged us to apply the rules to all wiring used to deliver broadband video services.²⁰ They argued that we can do so under our ancillary jurisdiction and that such an approach would promote competition in the provision of video service. While we agree that this proposal may merit consideration at a later date, we believe that it is beyond the scope of this proceeding. We agree with those commenters who argued that the plain language of Section 16(d) applies only to cable operator-installed wiring. Moreover, we sought comment only on wiring installed by cable operators. Accordingly, the rules we hereby adopt will apply only to cable wiring installed by the cable operator or its contractor.

10. The legislative history indicates that Congress intended the rule provisions adopted in this rule making to apply to cable home wiring located within the premises of the

¹⁶ Continental comments at 4.

¹⁷ NATOA reply at 3.

¹⁸ MAP reply at 3.

¹⁹ House Report at 118.

²⁰ See eg. Joint Operators comments at 6; TCI comments at 10-11.

subscriber, i.e., the internal wiring contained within the home or individual dwelling unit and not the wiring outside the home or the common wiring in apartment buildings and such.²¹ The comments differed on whether the wiring in common areas of multi-dwelling unit (MDU) buildings should fall within the definition of premises, and whether "loop through" wiring²² should be excluded even though it is located within the subscriber's dwelling unit.

11. With regard to single family homes, several suggestions were made regarding the appropriate demarcation point. Some of the commenters proposed that the demarcation point should be set at the ground block, typically located on or near the outside wall of the dwelling.²³ TCI, among others, proposed that, in those cases where there is no ground block, the demarcation point should be set by the operator at or near the wall of the residence.²⁴ Bell Atlantic stated that the demarcation point should be at the "minimum point of entry into the home or building."²⁵ We adopt a rule consistent with the legislative history and comments and set the demarcation point for single unit installations at (or about) twelve inches outside of where the cable wire enters the outside wall of the subscriber's premises. This should give alternative providers adequate access to the cable home wiring so that they may connect the wiring to their systems without disrupting the subscriber's premises.

12. More controversial was the issue of where the demarcation point should be in multi-dwelling units. Many of the commenters argued that common wiring and "loop through" wiring should be excluded. Some proposed that the demarcation point should be at the wall plate inside the subscriber's unit.²⁶

²¹ House Report at 118-19.

²² A loop system is one in which a single cable traverses an MDU building floor by floor, unit by unit. If the cable is broken or removed, all subsequent units are unable to receive cable signals.

²³ Viacom reply at 5; TCI reply at 2; NTCs comments at 4-5.

²⁴ TCI reply at 2-3; BellSouth comments at 5.

²⁵ Bell Atlantic reply at 6.

²⁶ Joint Parties comments at 11; Viacom reply at 5; NCTA comments at 9; Time Warner comments at 6; NPCA comments at 2-4; TCI reply at 4 ("define MDU inside wiring as that inside the unit, including wiring in internal walls, but excluding any wiring in common walls or other common areas"); BellSouth comments at 9 (not further than twelve inches from where the wiring first enters the

Others argued that, in order to meet the legislative goal of fostering competition among providers, the demarcation point should be outside the unit where the dedicated wiring for the unit begins.²⁷ For the same reasons noted above with respect to single family homes, we set the demarcation point for multi-dwelling units at (or about) twelve inches outside of where the cable wire enters the outside wall of the subscriber's individual dwelling unit. We exclude so called "loop through" wiring, even though it is in the individual dwelling units, because of the nature of "loop through" configurations. To include such wiring in our rules would give the initial subscriber in the loop control over the cable service of all remaining subscribers on the wire.

b. Compensation

13. One of the more controversial issues in this proceeding concerns the amount of compensation a cable operator should receive when a subscriber opts to purchase his or her cable home wiring. Many commenters argued that we should allow cable operators to recover any unrecovered investment in cable home wiring upon termination of service.²⁸ Almost all of the cable commenting parties asserted that uncompensated permanent use of the cable operator's wiring would be an unconstitutional taking.²⁹ The comments vary, however, on when compensation is warranted and how it should be determined. ACTA submits that "a termination charge would be warranted if the subscriber chooses to have the cable removed from the premises, and a charge representing the cost of the equipment would be warranted if the subscriber wishes to have the cable left in place."³⁰ The Local Governments and the City of New York argued that the subscriber should be presumed to own the home wiring if: "a) the subscriber has paid an installation fee or the installation fee was waived

subscriber's dwelling unit).

²⁷ See eg. Liberty comments at 2.

²⁸ BellSouth comments at 5-6; Cablevision comments at 4-5 ("...operator is entitled to an amount equal to the fair market value of the wiring."); NCI comments at 4 (operator should receive fair market value); TMCT comments at 6 (if FCC does become involved in compensation, it should be based on going concern value); TKR comments at 11 (operator should get fair value for wiring as may be agreed upon between the subscriber and the cable operator).

²⁹ See eg. Joint Operators comments at 3; NCTA comments at 4, citing Loretto v Teleprompter Manhattan CATV Corp., 458 U.S. 419 (1982); Comcast reply at 4.

³⁰ ACTA comments at 2.

by the cable operator; b) the subscriber has maintained cable service for a reasonable minimum period, such as one year; or c) the franchise agreement specifies a reduced installation fee or no installation fee."³¹ WJB argued that the Commission "should establish a strong presumption that the inside wiring belongs to the homeowner."³²

14. With regard to the proper amount of compensation, the Joint Operators argued that the amount "should be no more than (1) the average unrecovered cost of inside wiring for comparable installations or (2) the cost of replacement, whichever is greater."³³ BellSouth stated that the Commission could employ book cost.³⁴

15. The record reveals that, in many circumstances, the cable home wiring already belongs to the subscriber, having been transferred by the operator and/or paid for by the subscriber pursuant to specific agreement. In these situations further compensation is not warranted. For example, where the cable operator has transferred ownership of inside wiring at installation or termination of service, or has been treating the wiring as belonging to the subscriber for tax purposes, or the wiring is considered to be a fixture by state or local law in the subscriber's jurisdiction,³⁵ then the subscriber already has the right to use the cable with an alternative provider without further compensation and may not be prevented from doing so by the cable operator.

16. In those remaining situations, we conclude that, before removing the cable home wiring upon voluntary termination of service, the cable operator must first give the subscriber the opportunity to acquire it. Thus, when a subscriber who does not already own his or her cable home wiring voluntarily terminates service, the cable operator has two choices: it may leave the wiring in place or seek to remove it. Where cable is left in place after service is discontinued, it is reasonable, and consistent with the objectives of the statute, to conclude and to provide in our rules that the wiring is available for alternative

³¹ Local Government comments at 2; City of New York comments at 6.

³² WJB comments at 8.

³³ Joint Operators comments at 3.

³⁴ BellSouth comments at 6.

³⁵ NCTA comments at 4 (if the subscriber owns the wiring - either because it is a fixture or has otherwise been conveyed - the operator presumably has no right to remove it).

uses by the former subscriber or new resident.

17. The operator may instead seek to remove the cable home wiring. As noted above, we recognize that there may be situations where the cable system operator owns the internal wiring and desires to remove it when service is terminated involuntarily, *i.e.*, where there is theft of service involved.³⁶ In such situations removing the wiring should help ensure that additional theft of service is not facilitated, and the operator is not required to give the subscriber the opportunity to acquire it. In all other situations, however, the rules will require that the cable operator give the subscriber the option of purchasing the wiring rather than having it removed.³⁷

18. Where the subscriber is given the option of purchasing the wiring, the question arises as to what the price should be.³⁸ We believe, and the rules will provide, that only the value of the wire itself on a per foot replacement cost basis should be allowed.³⁹ It could be argued, from the point of view of the subscriber, that the cost of the internal wiring has already been paid, in whole or in part, through the initial installation charge. From the point of view of the system operator, it could be argued that investment in the installation itself, in addition to the physical plant, should be chargeable. Based on the record before us, we conclude that, if there has been no specific transfer of ownership of the cable wiring, there is no way of attributing all or a portion of the initial installation charge

³⁶ Viacom reply at 7. Viacom also requested that the operator be able to remove the wiring where the costs had not been recovered.

³⁷ The record indicates that it is unlikely that subscribers would seek to have their wiring removed. Liberty comments at 4 (no one wants existing cable home wiring removed); Viacom reply at 3 (there is very little likelihood the terminating subscriber will request removal of the wiring).

³⁸ Of course, as previously mentioned, if the subscriber has already contracted for and purchased the wiring in conjunction with its initial installation or ownership of the wiring has otherwise been transferred, no additional charge may be levied upon termination of service. See para. 15, supra.

³⁹ We would expect any charge per foot to be based on the replacement cost of coaxial cable in the community. For example, the record indicates that new coaxial cable is being sold for six cents per foot by District Cablevision in Washington, D.C. APPA reply at 5. A subscriber who believes he or she was required to pay too much, or refuses to pay under protest and has the wire removed by the cable operator, could file a complaint with the FCC.

or any portion of subscription fees specifically to purchase of the home wiring. Cable fees, where they have not been regulated and where there is no contractual or other specific understanding with the subscriber, have not generally been cost based or designed to recover the costs of specific portions of the cable plant but rather have been based in large measure on a variety of marketing considerations. Low or discounted installation charges (often well below cost) are charged to overcome initial sales resistance or to respond to changes in demand that are seasonally based; by contrast, higher fees are sometimes charged to discourage subscriber "churn" or to speed up capital recovery. In either event, the subscriber's concern has been with receipt of a package of cable programming services and the system operator's concern has been with overall return. In the absence of any other understanding, subscriber payments for cable service typically have not been made for a specific part of the system operation. We thus find that there is no ready means of attributing either installation fees or some portion of a subscriber's monthly charges to the subscriber's acquisition of the inside wiring. Accordingly, we will not presume that subscribers have paid for their cable home wiring where they have not been charged directly for that cost. At the same time, we will not allow the system operator to collect for the cost of labor involved in the installation of the cabling as opposed to the physical plant itself. This is not a salvageable expense if the cable were removed nor can we conclude that there was a reasonable expectation that compensation would be received for it above and beyond any installation charge that has already been levied.

19. Consequently, the rules will provide that the cable operator must offer the cable home wiring to the subscriber for the replacement cost of the wiring itself. This charge may be based on a reasonable approximation of what the length of cabling is in the subscriber's premises. When the subscriber calls to terminate service, however, the cable operator is required, if it proposes to remove the wiring, to inform the subscriber that he or she may purchase the wire and what the cost per foot charge is. These requirements, we believe, fairly accommodate the statutory objective of facilitating competitive choice, will compensate cable operators for otherwise recoverable expenses, will protect the interests of subscribers in the physical appearance of their property, and, where it is desired, will allow the subscriber to make alternative uses of inside wiring at a modest price.

20. If the cable operator chooses to remove the wire, offers the subscriber the opportunity to acquire it at the replacement cost of the cable home wiring, and the subscriber refuses the offer, then the cable operator may remove the wiring within 30 days of the refusal. If, however, the operator does not remove the wiring within 30 days, it may make no subsequent

attempt to remove it or to restrict its use.⁴⁰ If the operator does remove the cable home wiring, it must do so at no charge to the subscriber and must pay for any damage caused by the operator's removal of existing wiring, as currently required by 47 U.S.C. Section 541(a)(2).⁴¹

21. With regard to future installations, cable operators may employ whatever cost recovery method they deem appropriate consistent with these rules and any relevant rules the Commission promulgates in its outstanding rate proceeding.⁴²

c. Signal Leakage

22. Many of the comments echoed the concern expressed in the Notice about cable signal leakage that causes interference to licensed over-the-air services, including aeronautical and safety-of-life services. There was almost unanimous consent that the cable operator who installed the cable home wiring should not be held responsible for signal leakage if the cable operator is no longer providing cable service.⁴³ We agree. A cable operator will not be held responsible for facilities over which it does not provide service. Because these rules apply only after service termination, the responsibilities of cable operators to prevent signal leakage while providing service remain unaltered. See Sections 76.613, 76.617 and Part 15.

III. FINAL REGULATORY ANALYSIS

23. Pursuant to the Federal Flexibility Act of 1980, the Commission's final analysis is as follows:

I. Need and purpose of this action:

This Order prescribes rules as required by Section 16(d) of the Cable Act of 1992. The new rules adopted in this proceeding

⁴⁰ The rules we adopt today do not affect or change the rights of cable operators concerning access to a subscriber's property and premises.

⁴¹ See eg. Joint Operators comments at 4 ("If no compensation is paid, an operator may remove the wiring or abandon it in place.").

⁴² See Implementation of the Cable Television Consumer Protection and Competition Act of 1992, Rate Regulation (Notice of Proposed Rulemaking), MM Docket No. 92-266, FCC 92-544, adopted December 10, 1992.

⁴³ ACTA comments at 3; Joint Parties comments at 9; Cablevision comments at 8.

allow subscribers to acquire cable home wiring upon voluntary termination of service in order to use it for alternative video providers and to avoid the disruption of having the wiring removed.

II. Issues raised in response to the Initial Regulatory Flexibility Analysis:

There were no comments submitted in response to the Initial Regulatory Flexibility Analysis.

III. Significant alternatives considered:

The rules adopted follow the statutory language. Certain commenters urged us to adopt broader rules. Upon consideration, we determined that because of the tangential issues raised by such proposals and the time constraints under which we must promulgate rules, we would limit the rules to the language of the statute.

IV. ORDERING CLAUSES

24. Authority for the rules adopted herein is contained in Section 16(d) of the Cable Act of 1992, to be codified at 47 U.S.C. Section 541(i), and Sections 4(i), 4(j), and 303(r) of the Communications Act of 1934, 47 U.S.C. Sections 154(i), 154(j), and 303(r).

25. Accordingly, IT IS ORDERED THAT Part 76 of the Commission's rules IS HEREBY AMENDED as shown in Appendix B.

26. IT IS FURTHER ORDERED THAT the rule changes made herein WILL BECOME EFFECTIVE [30 days after Federal Register publication].

27. IT IS FURTHER ORDERED THAT this proceeding IS HEREBY TERMINATED.

FEDERAL COMMUNICATIONS COMMISSION

Donna R. Searcy

Donna R. Searcy
Secretary

APPENDIX A

Comments

Adams CATV, Inc.	(Adams)
Allen's TV Cable	(Joint Operators)
Cable Television Association of Maryland,	
Delaware, and the District of Columbia,	
Century Communications Corp.,	
Columbia International, Inc.,	
Gilmer Cable Television Co., Inc.,	
Helicon Corp.,	
OCB Cablevision, Inc.,	
Telecable Corporation,	
Texas Cable Television Association,	
Western Communications, Inc.,	
Zylstra Communications Corp.,	
Americable International, Inc.	(Americable)
American Public Power Association	(APPA)
Arizona Cable Television Association	(ACTA)
Bell Atlantic telephone companies	(Bell Atlantic)
BellSouth Corporation	(BellSouth)
Blade Communications, Inc.,	(Joint Parties)
Cablevision Industries Corp.,	
Crown Media, Inc.,	
Multimedia Cablevision, Inc.,	
Multivision Cable TV Corp.,	
ParCable, Inc.,	
Providence Journal Company,	
Sammons Communications, Inc.,	
Building Industry Consulting Service	
International	(BICSI)
Cablevision Systems Corporation	(Cablevision)
Cleveland Heights, City of	(Cleveland)
Community Antenna Television Association, Inc.	(CATA)
Consumer Electronics Group of the	(EIA/CEG)
Electronic Industries Association	
Consumer Federation of America*	(CFA)
Continental Cablevision, Inc.	(Continental)
Liberty Cable Company, Inc.	(Liberty)
Media Access Project	(MAP)
Mitsubishi Rayon America Inc.	(MRA)
Multiplex Technology, Inc.	(Multiplex)
National Association of Telecommunications	(Local
Officers and Advisors	Governments)
National League of Cities,	
United States Conference of Mayors,	
National Association of Counties	
National Cable Television Association, Inc.	(NCTA)
National Private Cable Association and	(NPCA)

MaxTel Cablevision	(NCI)
Nationwide Communications Inc.	(City of New York)
New York City Department of Telecommunications and Energy	(NYSCCT)
New York State Commission on Cable Television	(NTCs)
Nynex Telephone Companies,	
New England Telephone & Telegraph	
New York Telephone Company	
Pacific Bell and Nevada Bell	(Pacific Comp.)
Secretary of Defense	(Defense)
Schaeffer, Paul F.	(Schaeffer)
Schwartz, George	(Schwartz)
Seattle, City of,	(City of Seattle)
Department of Administrative Services	(Square D)
Square D Company	(TMCT)
Times Mirror Cable Television, Inc.	(TCI)
Tele-Communications Inc.	(Time Warner)
Time Warner Entertainment Company, L.P.	(TKR)
TKR Cable Company	(USTA)
United States Telephone Association	(UTC)
Utilities Telecommunications Council	(WCA)
Wireless Cable Association	
International. Inc.	
WJB-TV Limited Partnership	(WJB)

Reply Comments

Allen's	
APPA	
Bell Atlantic	
Bentleyville Telephone Company*	(Bentleyville)
Cablevision	
California Cable Television Association	(CCTA)
Citizens for a Sound Economy Foundation	(Citizens)
Comcast Corporation	(Comcast)
CATA	
GTE Service Corporation	
Local Governments	
MAP	
Michigan Municipal Electric Association	(MMEA)
NCTA	
National Telephone Cooperative Association	(NTCA)
New Jersey Cable Television Association*	
New Jersey Office of Cable TV, State of	(State of NJ)
New York State Commission on Cable Television	(NYSCCT)
Northwest Municipal Cable Council	(NMCC)
NTCs	
Southern New England Telephone	(SNET)
TCI	
Time Warner	
TKR	

USTA
Viacom
WCA
WJB

* ex parte comments

APPENDIX B

Part 76 of Title 47 of the Code of Federal Regulations is amended as follows:

1. The authority citation for Part 76 continues to read as follows:

AUTHORITY: Secs. 2, 3, 4, 301, 303, 307, 308, 309, 48 Stat., as amended, 1064, 1065, 1066, 1081, 1082, 1083, 1084, 1085; 47 U.S.C. 152, 153, 154, 301, 303, 307, 308, 309.

2. Section 76.5 is amended to add subsection (ll) and (mm) to read as follows:

Section 76.5 Definitions.

* * * * *

(ll) Cable home wiring. The internal wiring contained within the premises of a subscriber which begins at the demarcation point. Cable home wiring does not include any active elements such as amplifiers, converter or decoder boxes, or remote control units.

(mm) Demarcation Point. (1) For new and existing single unit installations, the demarcation point shall be a point at (or about) twelve inches outside of where the cable wire enters the subscriber's premises. (2) For new and existing multiple unit installations, the demarcation point shall be a point at (or about) twelve inches outside of where the cable wire enters the subscriber's dwelling unit, but shall not include loop through or other similar series cable wire.

3. New sections 76.801 through 76.802 are added to read as follows:

* * * * *

Section 76.801 Scope.

The provisions of this subpart set forth rules and regulations for the disposition, after a subscriber voluntarily terminates cable service, of that cable home wiring installed by the cable system operator or its contractor within the premises of the subscriber. The provisions do not apply where the cable home wiring belongs to the subscriber, such as where the operator has transferred ownership to the subscriber, the operator has been treating the wiring as belonging to the subscriber for tax purposes, or the wiring is considered to be a fixture by state or local law in the subscriber's jurisdiction. Nothing in this subpart shall affect the cable system operator's rights and

responsibilities under Section 76.617 to prevent excessive signal leakage while providing cable service, or the cable operator's right to access the subscriber's property or premises.

Section 76.802 Disposition of Cable Home Wiring.

Upon voluntary termination of cable service by a subscriber, a cable system operator shall not remove the cable home wiring unless it gives the subscriber the opportunity to acquire the wiring at the replacement cost, and the subscriber declines. The cost is to be determined based on the replacement cost per foot of the cabling multiplied by the length in feet of the cable home wiring. If the subscriber declines to acquire the cable home wiring, the cable system operator must then remove it within 30 days or make no subsequent attempt to remove it or to restrict its use.